

POLÍTICA INTERNACIONAL

La Configuración de la Gran Eurasia y
su Impacto en la Gobernanza Global

Andrés Serbin

Crisis de Globalización, Crisis de Hegemonía:
un Escenario de Cambio Estructural
para América Latina y el Caribe

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en la Era del Antropoceno

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Overlapping Regionalism, No Integration: Conceptual Issues and The Latin American Experiences

(Regionalismo Sobrepuesto, Sin Integración:
Cuestiones Conceptuales y Experiencias Latinoamericanas)

ANDRÉS MALAMUD*

ABSTRACT: Twenty years after its foundation, MERCOSUR has failed to meet its declared goals. Far from being a common market and not yet a customs union, it has neither deepened nor (legally) enlarged. All the other regionalist projects in Latin America fare even worse, although they have arguably fostered domestic democracy, economic reforms and more peaceful regional relations. This paper introduces a conceptual toolkit for comparing regional integration, and then applies it to explain the dispersed goals and declining performance of the Latin American experiences. The aim is to show how the strengthening of national sovereignty – as opposed to its pooling or delegation – is at the heart of most contemporary regionalist strategies.

KEYWORDS: Comparative regional integration, regionalism, LatinAmerica, Mercosur.

RESUMEN: Veinte años después de su fundación, MERCOSUR ha fallado en alcanzar sus objetivos declarados. Lejos de ser un mercado común todavía no es una unión aduanera y tampoco ha podido profundizar (legalmente) su ampliación. Todos los otros proyectos regionalistas en América Latina lo hacen aún peor, aunque puedan argumentar que han promovido la democracia, reformas económicas y unas relaciones regionales más pacíficas. En este artículo se introduce un marco conceptual para comparar los procesos de integración regional, para luego aplicarlo a fin de explicar por que la diversidad de objetivos ha repercutido en unos resultados cada vez menores en la experiencia latinoamericana. El propósito es mostrar de qué manera el fortalecimiento de las soberanías nacionales – que se opone a que éstas sean compartidas o delegadas – constituye el punto medular de la mayor parte de estrategias regionalistas.

PALABRAS CLAVE: Integración regional comparativa, regionalismo, América Latina, Mercosur.

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Introduction

In the 1960s, the first wave of Latin American integration was partly fostered by the rising threat of a *fortress Europe* and the need to join forces to confront it. In the 1990s, however, the European Union (EU) had become both a model and a partner for a new wave of regional organizations that included, prominently, the Andean Community (CAN according to its Spanish acronym) and the Common Market of the South (Mercosur). But by showing the limits and dangers of ill-designed regional institutions, the current crisis of European integration has dealt a blow to the belief that pooling sovereignty is the necessary way ahead for nation states. Yet, political activity on a regional basis still commands a great deal of attention from chief executives and foreign policy elites worldwide. This article approaches the evolution of regionalism with two aims in mind: first, to clarify key concepts and refine analytical categories; and second, to apply these concepts and categories to contemporary Latin American experiences with integration in order to evaluate their performance and prospects.

On Concepts and Paradigmatic Debates

In the field of political science and international relations, two broad strands of literature have developed to account for the voluntary clustering of independent states into regional groupings. In chronological order, the first christened its subject matter as *regional integration* and has focused mainly on Europe since the late 1950s (Haas 1958); the second strand opted for a fuzzier label, namely *regionalism*, and since the 1990s has focused on all continents though only marginally

on Europe (Hettne, Inotai and Sunkel 1999; Hettne and Söderbaum 1998). The focus on Europe of the former strand does not mean that the forerunners of integration studies lacked comparative ambitions, as early works on Latin America show (Haas 1967; Haas and Schmitter 1964); rather, integration processes failed to take root and were only consolidated in Europe, stagnating or receding elsewhere.

The first problem faced by those who study comparative regional integration is not empirical or theoretical, but conceptual. Unlike pioneering masterpieces such as those produced by Nye (1968), Claude (1971) or Lindberg (1963), too many contemporary studies suffer from conceptual stretching or fuzziness or both. Although most authors usually provide some kind of definition for the phenomenon they analyze, few do so in a satisfactory manner. Thus, most definitions are either too vague or too ambiguous. Take, for example, the influential characterization by Hettne and Söderbaum (1998: 7) “New regionalism is a comprehensive, multifaceted and multidimensional process, implying the change of a particular region from relative heterogeneity to increased homogeneity with regard to a number of dimensions, the most important being culture, security, economic policies and political regimes”. In this definition, analytical categories are explicitly non-exhaustive, implicitly non-exclusive, and are not ranked by precedence or hierarchy. This cannot plausibly produce measurable indicators and testable hypotheses. Hettne and Söderbaum (1998: 9) further define regionalization as “increasing levels of “regionness”, namely the process whereby a geographical *region* is transformed from a passive object to a subject with a capacity to articulate the interests of the emerging *region* (emphasis added). Here, confusion

reaches new heights, as the word *region* is used simultaneously to connote objective geography and subjective interests, as well as an existing object and an emerging entity. Hegels distinction between *in sich* and *für sich* is a wonderful philosophical insight, but modern scholarship requires different names for different things, clear definitions and concepts that can be rendered operational.

A way out of conceptual stretching and fuzziness consists of understanding contemporary regionalism as an umbrella expression that covers a multiplicity of distinct phenomena. Andrew Hurrell (1995) enumerates five of these, arguing that none should be given the exclusive rights to use the term: (a) regionalization, (b) regional awareness and identity, (c) regional interstate cooperation, (d) state-promoted regional integration, and (e) regional cohesion. The first regionalization can be understood as social or economic interdependence, which is usually the outcome of informal, market-driven processes. The second - regional identity - conveys a cultural rather than a political or economic notion. The common feature of both phenomena is that neither is necessarily intended but is brought about by uncoordinated factors-such as increasing trade or migration flows or common historical roots. The following three subtypes respond to a different logic: they are either the outcome of formal state decisions cooperation and integration or a consequence of such decisions regional cohesion. While cooperation entails voluntary compliance, integration requires some degree of sovereignty transfer, which discourages unilateral withdrawal and raises the costs of process reversion. In these subtypes, Hurrell (1995: 44) claims, “the *region* plays a defining role in the relations between the states (and other major actors) of

that *region* and the rest of the world”, while constituting “the organizing basis for policy within the *region* across a range of issues” (emphasis added). This definition also uses the same concept simultaneously for an actor and an arena: here, the *region* “plays a role” regarding “policy within the *region*”. Such ubiquitous confusion is arguably rooted in the nominalization of the adjective *regional*. This word, however, indicates scope, not substance (Malamud 2010: 654). The latter should be conveyed by a noun, which can either be a process (integration) or an entity (organization). To give an example, *Europe* is an intelligibly but highly ambiguous noun that should not be collapsed with European integration or with the European Union. In these two expressions, “integration” and “union” are nouns while “European” becomes an adjective that delimits a particular range of otherwise general phenomena.

So what is regional integration? Regardless of time, Haas’s (1971:6) definition is sufficiently clear and parsimonious to serve as a point of departure: a “process of how and why nation states voluntarily mingle, merge and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves” To this, Schmitter (2004) has conveniently added, “by creating common and permanent, institutions capable of making decisions binding on all member” Contrary to common usage in Latin American politics, where after any international dispute statesmen rush to declare that “the conflict is over, now it is time for integration”, the opposite of conflict is not integration but cooperation. Actually, integration is just a subset of cooperation-and not the most successful or even the most frequent. Nor is regional integration just

increasing trade flows (aka regionalization) or the various manifestations of Deutsch et al conceptualization (1957) such as recurrent contacts among elites, facilitating communication between or meetings among people across national borders, or even promoting symbols of common identity.

Although there is nothing in the above definition that gives the economy primacy over other domains, the fact is that really existing integration attempts have regularly adopted economic goals, whether efficiency gains through benefits of scale or joint development through cooperation and solidarity. As regards the market dimension, there are four progressive levels of achievement (Balassa 1961). The simplest, the *free-trade zone*, is an area in which domestic obstacles to trade are dismantled; this means that customs tariffs are not imposed on the products of any member country. A *customs union* takes things one step further: at this stage a common external tariff is established, fixing the amount that products coming from the rest of the world have to pay to enter the area. This implies that the member countries form a single entity in the arena of international trade. The third step, a *common* or *single market*, is a customs union to which the free mobility of productive factors between the member countries and a common trade policy are added. It contemplates the coordination of sectoral macro-economic policies among its members and requires the harmonization of national legislation. Fourth, an *economic union* appends centralized monetary institutions and common financial policies to the single market. It goes beyond simple coordination and harmonization among the member countries, and includes the establishment of unified supranational agencies such as a central bank and a single currency. Fiscal coordination is also required, as the Euro crisis has made clear.

Regardless of the economic goals of regional integration, the necessity of establishing some kind of common institutional arrangements fosters non-economic linkages. Higher levels of state-promoted economic integration are likely to increase flows of trade and investment, i.e. growing regionalization in the sense of the first subtype defined by Hurrell. Likewise, increasing flows of people and communications can nurture a regional awareness, as in the second subtype. Although none of these means regional integration as defined above, they may create further demands for it, a mechanism that the neo-functionalist literature calls spillover.¹ Spillover is the unintended process whereby integration between states in one sector creates incentives for integration in further sectors in order to fully capture the benefits of integration in the original sector.

Just like the development of capitalism and the emergence of the bourgeoisie created the need for larger markets, which in turn led to the consolidation of the nation-state, the effects of economic integration spill over into the political arena and foster new political centers that command authority over larger territories. This is why regional integration can be compared to the historical process of state building, even though the former is voluntary while the latter has seldom been so. As both processes aim at the creation of a larger political community, they feature a common foundational nature. This stands in contrast to normal-time politics, when organizational apparatuses are devoted to daily administration. The EU case is illustrative: as it consolidated as a political

¹ Neofunctionalism is an approach that was originally developed by Ernst Haas (1958; 1964) to explain processes of international integration such as the European Coal and Steel Community and the International Labor Organization.

community, its management gradually became “business as usual” and the scholarly focus moved from integration to governance - and from international relations to comparative politics (Hix 1994). Hence, the EU started to be compared more with federal states and less with other international organizations. As it happened, the nature of the beast changed from *polity-making* to *policy-making*. Lately, though, the Euro crisis has re-equilibrated the weight of the two dimensions.

Integration can develop in two ways. Negative integration refers to the dismantling of national barriers on trade and the prohibition of discriminatory behavior, while positive integration implies common policies that shape the conditions under which markets operate (Scharpf 1996). This distinction between *market-creating* and *market-regulating* functions is significant because the former may be attained through intergovernmental proceedings, while the latter requires enforcement by supranational agencies and rules. Since negative and positive integration are generally sequential, the use of this criterion supports the view of those who see the passage of intergovernmentalism to supranationalism as progressive over time; be that as it may, progressive does not mean irreversible.

Irrespective of its degree of formal supranationality, a regional organization may tend to privilege either the authority of impersonal institutions or the decision of specific power-holders. The orientation of a given organization in this regard is more a function of the state-society nexus of the (larger) member states rather than of the regional constitution or legal system (Söderbaum and Sbragia 2010). The consequence is that some blocs may be mainly *rule-oriented* while others remain more *power-oriented*.

A further distinction regards integration and convergence. The former means that member-states get *ever closer*, while the latter conveys they become *more similar*. As an example, Greece is more integrated with Germany e.g. they share a common currency and military affiliation within NATO than Norway with Sweden, yet the latter pair features more similarities in political, economic, and social terms or in any other significant indicators.

International organizations may perform three roles (Archer 2001): they can serve as *arenas* for dialogue and cooperation, they can be used as *instruments* by other actors (especially their member states), and they can assume an independent identity as actors in pursuit of their own objectives - a property called *actorness*. These roles are non-exclusive and convey increasing complexity. Integration only starts beyond the second one.

There are three sets of conditions for a process of regional integration to develop: demand, supply (Mattli 1999), and inertial factors. Demand conditions emerge from higher levels of regional interdependence, as transnational transactors perceive that cross-border activities are too costly and call on national or supranational authorities to lower transactions costs through cooperation, coordination and, eventually, integration. Supply conditions refer to regional leadership, understood as the capacity and will of one or more actors either to pay a disproportionate share of the costs required by the regional undertaking or to undertake monitoring, enforcement and brokerage. Inertial conditions take the form of demand or supply conditions that become institutionalized, locking in previous agreements and creating path-dependent effects that may protect

integration processes in times of declining demand or supply conditions but may also make them too rigid.

Although some could judge the arguments presented so far as Euro-centric, the goal is precisely the opposite: to provide tools to understand regionalism in different world areas without either equalizing them or considering them incommensurable. Integration should be understood as,

“a potentially global phenomenon, and thus one that should be recognized whenever it appears. This calls for standard definitions and theory that can travel. Think of democracy: there are as many types thereof as there are countries in which citizens are formally equal and rulers are accountable; yet, lacking these characteristics, we do not call it a democracy. The same applies to regional integration: either there are sovereign states that voluntarily transfer parcels of sovereignty to joint decision-making or there are not, and in this case we do not call it integration. We have resisted the temptation to stretch conceptual definitions or dispose of working theories when a given phenomenon does not turn out as expected, as long as those concepts and theories are capable of explaining why this happened. EU lessons are useful to understand South American travails with regional integration precisely because they can also make sense of non-integration- instead of calling it otherwise and pretending that it is a new animal” (Malamud and Schmitter 2011: 155).

Since geographic vicinity is constant, neighborhood spillovers are unavoidable and their joint management appears as a reasonable goal. However, the means for achieving it are diverse and not determined

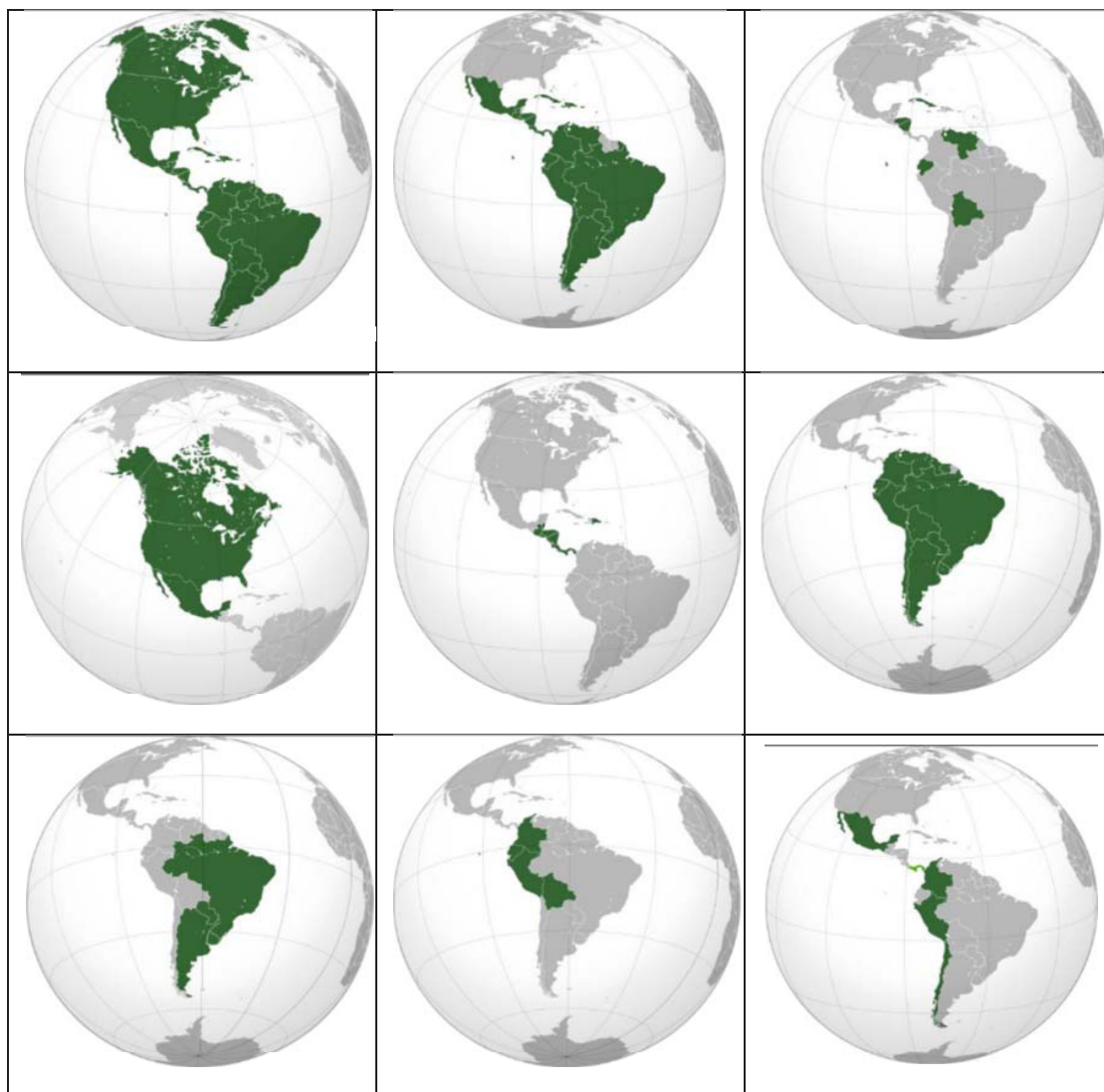
by historical legacies or globalization pressures. In recent years, different forms of regional interaction other than integration have developed worldwide, and several approaches were developed that replicated the complexification of reality with fuzziness and ambiguity at the analytical level. But our analytical categories have fizzled out and are failing to call things by their name. It is time to call a spade a spade, to streamline our conceptual toolkit and apply it to the empirical field.

On Latin America's Obsession with Regionalism and Misadventures with Integration

Latin American attempts at regionalism have never converged into a single project. The first wave, following the Western European experiment with coal and steel and either supported or neglected by the United States, included two mutually exclusive blocs: the Central American Common Market and the Latin American Free Trade Association (ALALC).² Subsequent experiences as the Andean Community and the Caribbean Community (CARICOM) also included small subsets of countries, giving rise to a long-lasting patchwork of segmented regionalisms. Today, there are a few associations that encompasses several subregional blocs or even the whole subcontinent, such as the Union of South American States (UNASUR) and the Community of Latin American and Caribbean States (CELAC); but the former brings together only half of the Latin American states while the latter lacks legal status,

² Both organizations were founded in 1960. CACM initially brought together El Salvador, Guatemala, Honduras, and Nicaragua but soon expanded to include Costa Rica, while ALALC comprised 11 states: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

Latin America: Segmented Regionalism



From top left, by row: (1) the Americas, (2) Latin America, (3) ALBA, (4) North America (NAFTA), (5) Central America (SICA), (6) South America (UNASUR), (7) Mercosur, (8) Andean Community, and (9) Pacific Alliance. Source: Malamud and Gardini (2012: 122).

organizational structure and institutional authority.

UNASUR is a Brazil-sponsored regional cooperation agreement, masterminded for the unspoken goal of carving out a Brazilian sphere of influence by cutting off US influence and offsetting Mexican competition for

leadership. It contemplates the promotion of physical integration through transport, energy and communication networks, but it does not envision any transfer of sovereignty. Accordingly, it should be considered as a tool for top-level dialogue and political coordination, but not an integration attempt.

Although CELAC acts as the EU counterpart in EU-Latin America and the Caribbean meetings, which bring together 60 states (27 European plus 33 from LAC), the fact is that these meetings long predated its creation. CELAC is a hollow container that regional powers use to signal policy positions or to wave ideological banners such as anti-American sentiment or South-South solidarity. It is also one more arena for states to trade their differences and for head of governments to build mutual trust, but it is not - and has no prospects of becoming - an international actor. And, to be sure, nor is it an integration project.

In the last decade, a further type of regionalism purportedly has been identified: post-liberal or post-hegemonic regionalism (Sanahuja 2009; Riggirozzi and Tussie 2012). The argument is that the new construct has shifted the focus away from economics and, by lambasting the failure of neo-liberal reforms, features a more ideological (aka progressive) stance. Policy coordination and common identities come to the fore as market and investment relations recede. The topmost examples of this kind of regionalism are UNASUR and the Venezuelan-sponsored Bolivarian Alliance for the Peoples of our America (ALBA). These undertakings discursively reject the neo-functionalist premise that integration is driven by a convergence of interests rather than ideological commonalities. However, a backlash is underway, as Chile, Colombia, Peru and Mexico have signed a treaty to establish a Pacific Alliance that -once again- puts the economy first. Its goal is to foster free trade and market integration in opposition to the ideological radicalization of Latin American regionalism (Malamud and Gardini 2012: 120). Yet, this grouping has a political

impact worth considering as it challenges into the region, out-performing Mercosur and diluting UNASUR.

The segmented nature of Latin American regionalism is not always competitive but frequently overlapping, as shown by the figure attached. Of the nine blocs featured in the maps, one feature stands out:

“not one country participates in at least half of them. In the Western hemisphere, regionalism is always sub-regional and there is no common core or political centre. The reality is that, every time a new bloc is born, it does so by excluding neighbouring countries and by intentionally differentiating itself from other (sub)regional organisations. Decentred sub-regionalisms rather than concentric regionalism has been the end-product of such logic, by which sub-regional integration proceeds through regional or hemispheric disintegration” (Malamud and Gardini 2012:120).

As argued above, integration was not pursued by all these regional undertakings, but it was explicitly promised by some of them. However, it has not been delivered by any of them - barring partial and usually reversed achievements. The case of Mercosur, which used to be seen as the most successful and promising experience of Latin American integration, offers an eloquent illustration of the transformations brought about by meager results and changing goals.

If the success of an organization is measured by the attainment of the goals established in its treaties, Mercosur is an outright failure. After more than twenty years, it is neither a common market nor even a customs union. Worse, it does not work as an effective free trade zone, since unilateral tariff restrictions are erected at will and non-

tariff barriers abound. Chile has not applied for membership as the founders expected, and chains of value and regional industrial complexes have only developed outside the scope of the treaties - as in the automobile sectoral agreement between Argentina and Brazil. It would be unfair to ignore that Mercosur has accomplished other commendable goals such as facilitating the transitions to democracy, locking in domestic economic reforms and consolidating a regional security community. But these did not require the transfer of sovereignty and can therefore be regarded as the result of cooperation rather than integration.

One of the few aspects that makes Mercosur look as if it works is legal international actorness. Unlike the Andean Community, fifteen years after they began, Mercosur is still negotiating with the EU as a bloc. However, it is Brazil on its own that sits at top international tables such as the BRICS (largest emerging economies), IBSA (largest Southern hemisphere democracies), BASIC (emerging economies environmental coalition), and the WTO 4-party final-negotiations group, not to speak of its bid to occupy a permanent seat in a reformed UN Security Council against Argentina's will (Malamud 2011).

Finally, the only case of enlargement has led to a political conflict over the suspension of Paraguay to allow the ratification of Venezuela's accession. The rift created a legal limbo regarding the status of the two members and the validity of the legislation decided during the exclusion of Paraguay, as this contradicts the unanimity decision rule and therefore puts into question Paraguay's future commitment to abide by the rules.

Mercosur is a case of supply-side integration, as the political decision to establish

the organization was not made in response to previous economic interdependence or societal demands. Its key working mechanism has been called interpresidentialism, meaning the outcome of combining an international strategy, namely presidential diplomacy, with a domestic institution, namely presidentialism (Malamud 2005a). Presidential diplomacy is the customary use of direct negotiations between national presidents rather than professional diplomats every time a crucial decision has to be made or a critical conflict needs to be solved. In turn, presidentialism South American style grants chief executives the power to strike deals without seeking approval by either parliaments or cabinets. The consequence of this combination is that Mercosur has been power-oriented rather than rule-oriented from its inception.

Accordingly, the legalization or judicialization of the bloc's procedures is nothing more than a myth. Its top dispute settlement institutions have been called upon 16 times in 20 years. Legal institution-building, as manifested by the establishment of the so-called Permanent Review Tribunal in 2006, was not undertaken in response to functional needs but rather because of the pressure of epistemic communities and transnational networks: blunt simplification - jobs for lawyers (and judges) serves to convey the point.

Likewise, the development of a parliamentary institution has been an outcome of professional lobbying by academics and national lawmakers, but also a legitimizing resource born out of mimicry and isomorphism (Rüland and Bechle 2011). The marketplace of ideas about regional integration is much limited to a single successful source, the EU. In fact, Parlasur has no legislative

competences, no oversight capacities, is not demographically proportional, and has virtually no transnational party politics.

The distinctiveness of Mercosur vis-à-vis other regional projects such as UNASUR or ALBA continues to be its treaty-based focus on market issues. Yet, few advances have been made regarding policy coordination and harmonization, and the threshold between cooperation and integration has been hardly crossed. The only discipline that the bloc has effectively imposed upon its members is the prohibition to unilaterally sign trade agreements, a competence that was transferred to the regional level – only to be gloomily underutilized.

The main reason for this underachievement was identified a decade ago, in what remains the most in-depth analysis of the bloc to date. In the view of its authors, Mercosur's underlying formula, i.e. preferential access to the Brazilian market in exchange for Argentine support for Brazilian international strategies (Bouzas et al 2002), has exhausted and never replaced its fuel. Thus, Mercosur acquired a different meaning for each member state, and national strategies have become disparate rather than coordinated.

For Brazil, Mercosur no longer performs a significant economic role, as extra-regional partners dominate trade relations and regional investment is agreed bilaterally with each neighbor. Somewhat ironically, both progressive activists such as Samuel Pinheiro Guimarães (2012) and pragmatic analysts such as Alfredo Valladao (2006) agree that Brazil's promotion of UNASUR imperils Mercosur's objectives and operation. However, the latter also serves a political purpose: to help manage relations with Argentina, the only regional country that

could seriously challenge or hinder Brazil's global projection.³

By contrast, Mercosur has economic significance for Argentina insofar as Brazil is its largest trading partner (for Brazil, China and the US are larger partners than Argentina). However, cars are the key commercial link between the two countries, the trade in which is covered by an administered trade regime that falls outside the free trade zone. Argentina also uses the bloc for unspoken political goals such as tying Brazil to the region and preventing it from doing business or going global alone.

Former Brazilian foreign minister Celso Lafer once said that, for Brazil, negotiating the Free Trade Area of the Americas was an option while Mercosur was its destiny. Paraphrasing Lafer, it could be said that, for Paraguay, Mercosur is not its destiny but its doom: unavoidable, though not necessarily a good thing. Landlocked, the country cannot afford to be left out of an association in which its two coastal neighbors participate. And yet its recent suspension from the bloc because of an alleged coup puts it in the worst of two worlds: it pays the club's dues but gets no perks of membership.

By having direct access to the sea, Uruguay is less dependent on Mercosur than Paraguay. Nonetheless, the country's birth as a buffer state still resonates in the present, and offending any of its larger neighbors by leaving the bloc could set off painful retaliations. Because leaving can be costlier than staying, strategic patience and institutional inertia have carried the day. Additionally, the current left-of-center administration tends to stand up for the bloc on ideological grounds.

³ As suggested by Alfredo Valladao at the conference "Mercosur at 20: Politics and Economics in the Southern Cone Latin American Centre, University of Oxford, 11th March 2011.

After six years of standoff, Venezuelan membership was finally approved for reasons of political expedience, as the suspension of Paraguay by decision of three foreign presidents (i.e. Argentina, Brazil and Uruguay) substituted for the congressional ratification of the accession protocol. However, as a few days later the Senate turned the protocol down, Venezuela's status might remain controversial once Paraguay is readmitted. In any case, for an economy as uncompetitive as the Venezuelan the rationale for belonging to the bloc is not related to trade but to the international legitimization of its "revolutionary regime" and to stave off perceived threats from the US.

In sum, Mercosur is not what it purports to be in the official discourse; rather, it is several different things depending on who is asked. Its balance sheet is positive given the indirect effects of upholding domestic democracy and the peaceful resolution of conflicts, but the gap between words and deeds may end up definitely damaging its reputation and jeopardizing its usefulness. Should empty rhetoric definitely gain the upper hand, Mercosur may survive but serve no further collective purpose. Indeed, really existing regional integration is not what it was once thought to be.

Conclusions

In Latin America, regionalism has evolved through segmented proliferation rather than enlargement, and through goal-transformation rather than goal-attainment. The reasons for these unexpected developments can be summarized as follows.

First, economic facts trump political will. National economies are non-complementary and outward-oriented,

imposing a low ceiling on potential gains from integration as Burges (2005) has shown. Might any institutional arrangement compensate for this shortcoming?

The answer to the above question is negative, as form has trumped function. Institutional deficits as in MERCOSUR or institutional precociousness or "surplus" as in CAN have prevented functional spillover from taking place (Malamud and Schmitter 2011). So what about pragmatic fixes?

These fixes have not worked either, as ideology has gradually trumped pragmatism. Departing from its initial simplicity, Mercosur, which had originally learned more lessons from the CAN failure than from the EU success, has increasingly become largely rhetorical (Malamud 2005b; Doctor 2012). As the results show, though, programmatic affinity and identity politics is no substitute for the convergence of interests.

Today's landscape of Latin American integration looks like Jean Monnet's blueprint upside down: rather than "*petits pas, grands effets*" the reality reflects "*grands mots, petits effets*" why talk but about integration if it does not deliver?

For some groups and observers, regional organizations - especially Mercosur - have become an existential end *per se* rather than a means to an end. Just as citizens are expected to defend their country without questioning its *raison d'être*, inchoate regional identity rather than interests or reasoning are frequently at the root of the defense of regional would-be politics - a suggestive constructivist turn. For others, usually including scholars, politicians and bureaucrats, regional organizations offer attractive opportunities to make a living: a new discipline for scholarly specialization, good salaries in region-funded contracts,

academic and political tourism, and the prestige of belonging to a small group of *iniziati*. In this case, it is not identity or advantage arising from dismantling state borders but rather particularistic interests that lie behind the defense of regionalism. For their part, statesmen know that sovereignty is not relinquished by signing papers so they are free to continue to establish and relaunch regional organizations without integrating anything, and they can use regionalism as a foreign policy resource to achieve other ends such as international visibility, regional stability and regime legitimacy (Merke 2010; Spektor 2010).

Expressions such as “token integration” (Nye 1968: 377), “ceremonial regionalism” (Montesinos 1996), and integration-fiction (Peña 1996) have been coined to portray Latin American integration, with its combination of high-toned rhetoric and dismal performances. It often seems that decision-makers and their followers want to talk integration into existence. However absurd this may appear, this behavior is far from unreasonable, since politicians know that praising integration gets them support, while actually engaging in it would have material costs. Thus, talking without doing is not necessarily a sign of corruption, ignorance or cultural atavism: given the dim conditions for Latin American integration, it is simply a rational decision.

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